

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of CHICAGO INSURANCE)	No. D 03-08
COMPANY, An Authorized Insurer)	
)	CONSENT ORDER
)	IMPOSING A FINE.
)	
)	
)	
)	

FINDINGS OF FACT:

1. Chicago Insurance Company ("Chicago") is authorized to write property and casualty insurance in Washington state.
2. Chicago is subject to Title 48 RCW, the Insurance Code, and to Title 284 of the Washington Administrative Code (WAC), which require each authorized property and casualty insurer in this state to "...record and report its Washington state loss and expense experience and other data, as required by RCW 48.05.390 on a form issued by the commissioner." This special liability report covers the period ending December 31 of the year being reported. It must be submitted to the Office of the Insurance Commissioner (OIC) not later than May 1 of the year following the year being reported. During the year 2000, Chicago submitted a special liability report covering the year 1999. The data shown was incorrect under the attorney's legal malpractice column. Two years later, Chicago submitted a special liability report in the year 2002, covering the year 2001. That report was stamped "NONE", i.e. it was a negative report. However, Chicago had substantial data which should have been reported.
3. So both the reports submitted in the years 2000 and 2002 were in error. Upon being contacted by the OIC about this, Chicago submitted amended or corrected reports.

CONCLUSION OF LAW:

1. Chicago's failure to report the data for the years 1999 and 2001, or to report it correctly, was a violation of RCW 48.05.380, "Reports by property and casualty insurers"; of RCW 48.05.390, "Reports by various insurers"; and of WAC 284-07-010.

CONSENT TO ORDER:

Chicago Insurance Company stipulates to the foregoing Findings of Fact and Conclusion of Law and consents to this order, which imposes a fine of \$3000 (Three Thousand Dollars and no/100). Of this amount, \$1500 (One Thousand Five Hundred and no/100) will be suspended for two years, on condition that Chicago make no similar errors by omitting to report data which should be reported, or reporting it incorrectly. If no similar errors occur during that time (omitting to report data which should be reported or to report it correctly), the commissioner will waive the suspended amount of \$1500. If a similar error does occur, the suspended \$1500 will be immediately due and payable, plus any other fines and sanctions which the commissioner may impose for these additional violations.

The unsuspended amount of \$1500 (One Thousand Five Hundred Dollars and no/100) must be paid in full within thirty days of the entry of this order. Failure to pay it timely and in full will constitute grounds for the revocation of the certificate of authority held by Chicago in this state. It will also result in a civil lawsuit being brought by the state Attorney General on behalf of the Insurance Commissioner.

Chicago Insurance Company acknowledges its duty to comply with the insurance laws and regulations of the state of Washington.

Executed this 13th day of December, 2002.

CHICAGO INSURANCE CO.

Printed Name: _____

Printed Corporate Title: _____

ORDER:

Pursuant to RCW 48.05.185, the insurance commissioner imposes a fine of \$3000 (Three Thousand Dollars and no/100) upon Chicago Insurance Company, in lieu of proceedings against the certificate of authority held by the insurer in Washington state. Of this amount, the sum of \$1500 (One Thousand Dollars and no/100) will be suspended for two years from entry of this order, upon condition that the insurer not commit any similar error (failing to report data which should be reported, or reporting it incorrectly). If no such similar error occurs during the two year period, the Commissioner will waive the suspended \$1500. But if any similar error, then the suspended \$1500 will be immediately due and payable, together with any other fines or sanctions imposed by such additional violation or violations.

The unsuspended amount of \$1500 (One Thousand Five Hundred Dollars and no/100) is to be paid within thirty days of the entry of this order. Failure to pay this amount timely and in full will constitute grounds for the revocation of the certificate of authority held by Chicago in Washington state. It will also result in a civil action being brought on behalf of the Insurance Commissioner by the state Attorney General.

ENTERED AT TUMWATER, WASHINGTON, this 15th day of January, 2003.

MIKE KREIDLER
Insurance Commissioner

William Kirby

Legal Affairs Division